

FISCAL NOTE

HB 4209 - SB 4210

March 7, 2008

SUMMARY OF BILL: Requires each community water system in the state to prepare a water plan that includes a water supply plan, an emergency preparedness plan, and a water conservation plan. The Department of Environment and Conservation (TDEC) will be required to review and approve such plans. Implementation of the plans by water systems would be required within 12 months of notification from TDEC of approval of their plan. Plans will be resubmitted every three years thereafter. TDEC is authorized to delineate certain criteria for the plans. Plans would be required to include maps, usage data, usage projections, and emergency response information. Each system will also be required to file an annual report with TDEC.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$186,600/Recurring
\$ 16,800/One-Time**

**Increase Local Expenditures* - Exceeds \$2,500,000/One-Time
Exceeds \$250,000/Recurring
Exceeds \$1,250,000/Every fifth
year**

Assumptions:

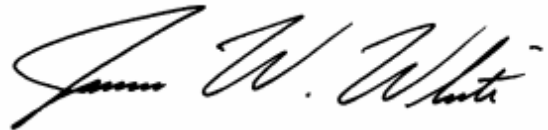
- TDEC will require three new positions to carry out the provisions of the bill. The recurring increase in state expenditures is estimated to be \$186,600 for salary (\$120,000), benefits (\$40,800), travel (\$9,000), printing (\$900), office space (\$8,100), phones (\$1,800), office supplies (\$900), network connections (\$3,600) and an annual contribution to the equipment replacement fund (\$1,500). The one-time increase in state expenditures for office landscaping (\$10,800) and PC's (\$6,000) is estimated to be \$16,800.
- Approximately 500 water systems statewide are subject to the provisions of the bill.

- A minimum cost of \$5,000 for each system to design the initial water plan as provided for in the bill. This will result in a one-time increase in local expenditures exceeding \$2,500,000 ($500 \times \$5,000 = \$2,500,000$).
- A minimum cost of \$500 per water system to provide the required annual report. This will result in a recurring increase in local government expenditures exceeding \$250,000 ($500 \times \$500 = \$250,000$).
- The bill requires an update of the original system water plan every five years. Assuming a minimum cost per system of \$2,500 to update such plan, there is estimated to be an increase in local government expenditures of \$1,250,000 every fifth year ($500 \times \$2,500 = \$1,250,000$).

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/cce